Government of Saskatchewan

Annual Report 1985-86

Saskatchewan Economic Development and Trade

87-05916/

Table of Contents

	Page
Letters of Transmittal	2
Organization Chart	3
The Year in Review	4
Industrial Development Division	5
Industrial Development Services Branch	5
Major Projects Branch	5
Special Projects Branch	6
Trade Development Division	7
Trade Promotion Branch	7
Trade Programs Branch	7
Trade Policy Branch	8
Policy Co-ordination Branch	9
Public and Corporate Affairs Division	10

Letters of Transmittal

From the Minister

The Honourable F.W. Johnson
Lieutenant Governor of the
Province of Saskatchewan

Sir:

I have the honor to present herewith the Annual Report for the Department of Economic Development and Trade for the fiscal year ending March 31, 1986.

Respectfully submitted,

Bob Andrew
Minister
Saskatchewan Economic
Development and Trade

From the Deputy Minister

Honourable Bob Andrew
Minister Saskatchewan Economic
Development and Trade

Sir:

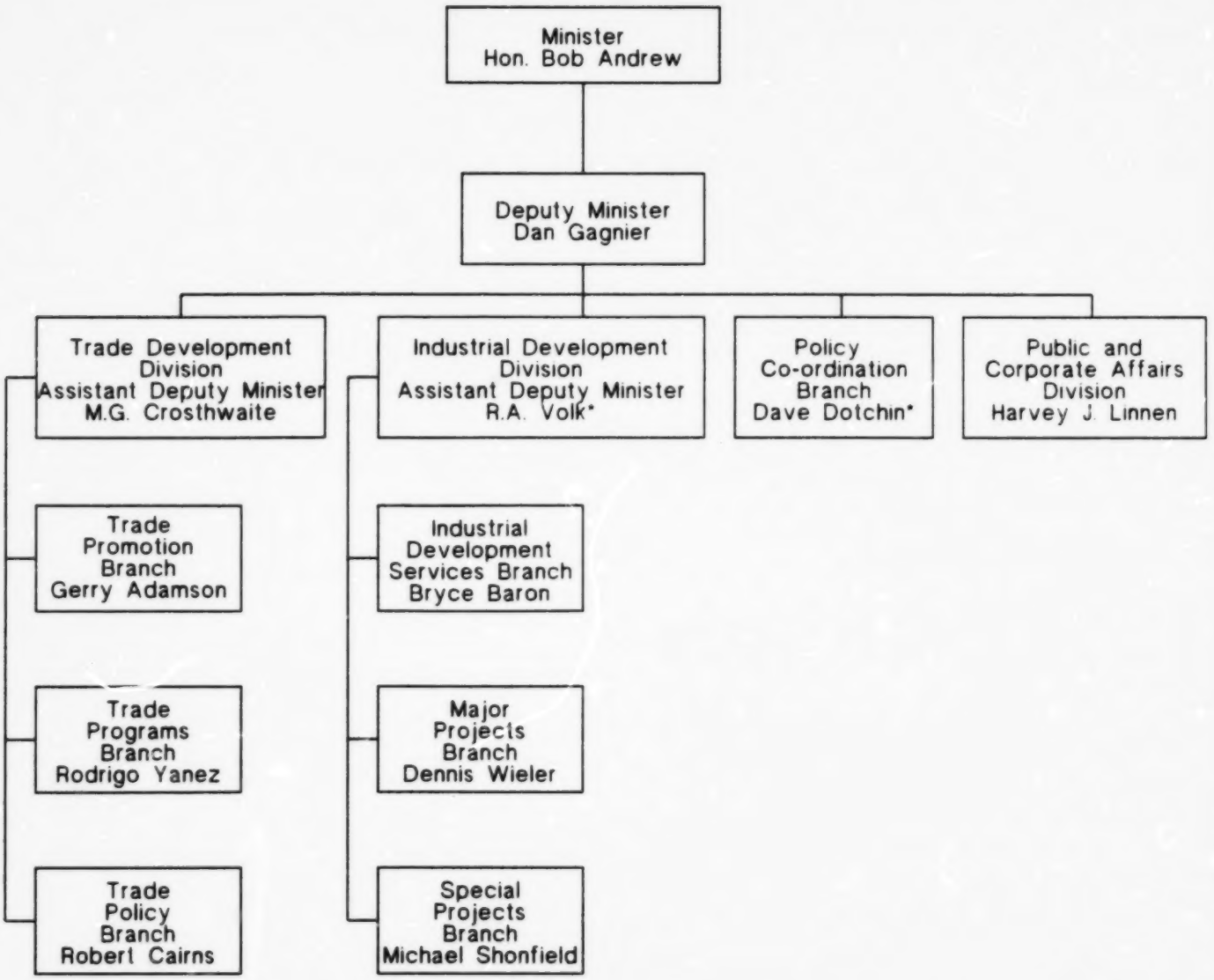
I have the honor to submit for your consideration the Annual Report for Saskatchewan Economic Development and Trade for the fiscal year ending March 31, 1986.

Respectfully submitted,

Dan Gagnier
Deputy Minister
Saskatchewan Economic
Development and Trade

Organization Chart

(March 31, 1986)



*Acting Position

The Year in Review

- The department contacted more than 4,000 manufacturers and processors -- all of them potential investors.
- The Industrial Incentive Program created 1,460 new jobs and $52 million in new investment for Saskatchewan.
- Industrial Opportunity Seminars in Montreal and Vancouver encouraged business people there to invest in Saskatchewan.
- The department analyzed more than $200 million worth of public and private purchases to identify opportunities that would bring new or expanded products and services into Saskatchewan.
- The department consulted more than 500 businesses on how to access major projects.
- As part of export efforts in the Asia Pacific region, a trade office was established in Hong Kong.
- For the first time, the province's high tech industry was represented at the Canadian High Technology Show in Ottawa.
- The Aid to Trade Program generated $17.84 million in sales for Saskatchewan exporters.
- The Trade Opportunities Program was created to help exporters expand their markets while providing career opportunities for Saskatchewan graduates.
- The department participated in the federal/provincial effort to develop a National Trade Strategy.
- The department co-ordinated the government's review of the Nielsen Task Force report on programs and services for businesses.
- The department implemented a new design program for its publications to meet international needs and standards.
- An informatics program was launched to provide word processing capabilities, access to external data bases, development of internal data bases, and the automation of financial data.
- The department began co-ordinating Saskatchewan's first business display at a world exposition for the World Business Showcase at Expo 86 in Vancouver.

Industrial Development Division

The Industrial Development Division encourages industrial investment in Saskatchewan to diversify and strengthen the provincial economy.

The division is divided into three branches -- Industrial Development Services, Major Projects, and Special Projects.

Industrial Development Services Branch

The Investment Services Branch promotes the province as a competitive business location to Saskatchewan companies that want to expand and outside companies that want to develop in the province. The branch accomplishes this through its direct mail contacts, media advertising, publications, and personal contacts made at seminars and trade and industry shows.

Increasing interest in Saskatchewan

In 1985-86, there were more clients with serious intentions to develop industrial projects in Saskatchewan than in recent years. This increased activity is attributed to the improvement in North American economic conditions and the success of initiatives directed toward import replacement. Many companies decided on Saskatchewan as the place to do business in 1985-86 as a result of branch contacts made with them over the past two and a half years.

During 1985-86, the branch contacted more than 4,000 manufacturers and processors from around the world. Of these, about 400 showed significant interest in Saskatchewan and had ongoing contact with the branch.

This past year, the branch focused on direct mail and personal contacts to reach out-of-province investors. Two Saskatchewan Industrial Opportunity Seminars were held in Montreal and Vancouver. These seminars brought provincial government ministers and prominent Saskatchewan business people together with manufacturers and processors from across the country to discuss industrial opportunities in Saskatchewan.

Providing extensive services to investors

The branch works in many ways to help prospective investors and those who have decided to invest in Saskatchewan. These services include providing information, counselling, and referrals through financial cost sharing market and feasibility studies on a 50/50 basis. During the year, the branch participated in 34 of these studies at a cost of $269,190 to the department.

The branch spent most of its time in 1985-86 advising and supporting investors working on about 80 projects in the final planning or implementation stages.

The Investor Information Data Base was also updated and upgraded in the past year. This data base is used to supply prospective investors with customized information packages on opportunities and business conditions in Saskatchewan.

Encouraging investment through incentives

The branch's Industrial Incentive Program continued to be highly successful in its second year of operation. In 1985-86, the branch approved 184 applications under the program, creating 1,460 new and permanent jobs and generating more than $52 million worth of anticipated new investment for Saskatchewan.

Major Projects Branch

The Major Projects Branch brings major project developers and Saskatchewan suppliers together so that Saskatchewan firms and labor gain a larger share of the provincial construction market.

Providing the necessary information

The branch identifies commercial, industrial and manufacturing opportunities generated by projects of $10 million or more. This information is passed on to Saskatchewan businesses through the Major Projects

Inventory, a semi-annual listing of all major projects planned or under way. The branch also issues the Industrial Benefits Bulletin every six weeks through the Public and Corporate Affairs Division. The newsletter breaks down major projects -- providing specific project details, lists of materials to be used, and advice on how businesses should get involved.

In 1985-86, Major Projects worked with other branches to produce "How to Use Joint Ventures," a handbook for firms looking at establishing joint ventures to bid on major projects; and the Construction Services Directory.

Watching out for Saskatchewan

The branch monitors the procurement system for every major project, ensuring supply specifications are realistic for Saskatchewan businesses, and that provincial companies are on the bidding list. Through this work, about 30 per cent more Saskatchewan companies were on the bidding lists for major projects in 1985-86 over the previous year, and more than $40 million worth of contracts were awarded to Saskatchewan firms in many areas of business.

The branch negotiated with developers on 50 major projects to ensure bid packages were scaled down to sizes more appropriate for Saskatchewan firms. Major Projects also intervened in more than 200 cases to ensure bids were fairly evaluated -- so that value and local content were given importance.

Helping local suppliers

The branch examines the 75 to 80 major projects going on in Saskatchewan at any given time, and identifies relationships between them to assist Saskatchewan suppliers in expanding their markets or developing new product lines.

In 1985-86, the branch analyzed more than $200 million worth of public and private purchases to identify opportunities that would bring new or expanded services and products into Saskatchewan. Working with the Public Sector Procurement Task Force, the branch saw Saskatchewan firms manufacture health care supplies, computer components, office furniture, and salt storage bins, and repair uranium mine pumps -- products and services that were previously imported.

To further the development of new suppliers, the branch identified more than a dozen opportunities this year to transfer new technologies to Saskatchewan.

In 1985-86, the branch assisted more than 500 businesses to access major project opportunities -- including assistance on bonding, joint-venturing, bid preparation and market analysis.

Special Projects Branch

The Special Projects Branch works with industry and potential investors to assess the need for, and negotiate the amount and form of, government funding for special projects. These projects are not eligible for assistance under government programs, or require funding over what is provided through government programs. The branch evaluates the financial viability and provincial impact of each project to support a government decision to approve or reject funding.

This highly analytical branch researches, models and assesses specific projects in response to direct industry requests or through its own research into specific industrial opportunities. In 1985-86, the branch pursued projects in the meat-packing, car manufacturing, electrical transmission, and fertilizer industries.

Special Projects also reviews Investment Canada applications and is involved in federal/provincial task forces dealing with investment, incentive programs, and interprovincial trade barriers.

Assessing and negotiating for Saskatchewan

The branch examines requests for large-scale funding on a discretionary basis, similar to how a private sector company looks carefully at investments it plans to make. Using computer models and on-line data bases, in-house assessments of requests are made, instead of relying on the firm's financial statements. After the assessment, the branch negotiates with the firm, bargaining for terms of agreement that will benefit Saskatchewan.

Trade Development Division

The Trade Development Division promotes the export of Saskatchewan goods and services. Trade is essential to the provincial economy -- one quarter of all jobs are trade related and the province exports nearly half of its gross domestic product.

The division is divided into three branches -- Trade Promotion, Trade Programs, and Trade Policy.

Trade Promotion Branch

The Trade Promotion Branch encourages and supports Saskatchewan producers and manufacturers to export their products and services to other parts of Canada, to the United States, and overseas.

The branch evolved from the former International Operations Division in December, 1985, reflecting a new strategy in export marketing. Unlike the previous arrangement where trade officers were responsible for all sectors in specific geographic areas, trade officers are now responsible for specific sectors on a global basis. This has allowed the branch to work more closely with the Saskatchewan industry.

Establishing priority markets

Aside from the "within Canada" market, in 1985-86 the branch continued to concentrate on the market opportunities in the U.S. -- Saskatchewan's number one export market and source of investment.

Secondly, it directed its trade promotion efforts toward the Asia Pacific region with emphasis on the People's Republic of China, Japan, Hong Kong and Australia. A trade office was set up in Hong Kong to build the province's Chinese trade.

The London trade office continued to play an important role in the co-ordination of trade promotion in Europe.

Also, the branch maintained important contact with the Canadian International Development Agency, the Canadian Commercial Corporation, the World Bank, and other international financial institutions to identify opportunities for Saskatchewan companies to bid on third world development projects.

Taking Saskatchewan to the world

In the past year, the branch participated in 27 trade shows throughout the world, attended by more than 200 Saskatchewan businesses. The branch assisted a record 37 Saskatchewan agricultural equipment manufacturers at the Big Iron Show in Fargo, North Dakota. For the first time, Saskatchewan's thriving high tech industry was represented at the Canadian High Technology Show in Ottawa.

Bringing buyers to the province

In 1985-86, the branch hosted 23 visits of international buyers, introducing more than 100 Saskatchewan companies to new trade opportunities. Many of these visitors came from the Asia Pacific region, which is the fastest economic growth area in the world and already our second largest export market.

Trade Programs Branch

The Trade Programs Branch administers four programs -- three provide financial assistance for Saskatchewan companies to market their products and services, while the fourth encourages foreign entrepreneurs and investors to emigrate to Saskatchewan.

Helping companies find new markets

The Aid to Trade Program offers financial aid for market research, product promotion, sample shipment, and other approved export marketing activities. In 1985-86, the branch approved 1,095 projects, generating $17.84 million in sales for Saskatchewan exporters -- 63 per cent more projects and 130 per cent more in sales over the previous year.

The Market Development Fund provides financial assistance to agricultural producers who want to expand their markets. In the past year, the branch supported 56 provincial industries and associations through this program.

In March of 1986, the Trade Opportunities Program was launched. It was set up to help exporters expand their markets while providing career opportunities for Saskatchewan graduates. The program will pay 50 per cent of the base salary and export travel costs for two years to exporters who hire and train recent marketing graduates.

Seeking investment and entrepreneurs from abroad

The Entrepreneurial Immigration Program encourages immigrants to establish business ventures, make investments, and apply their skills in Saskatchewan. In 1985-86, 36 of these immigrants arrived in the province, investing $4.79 million and creating 87 full-time and 66 part-time jobs. The program was promoted primarily in Hong Kong and Western Europe.

Trade Policy Branch

The Trade Policy Branch works to help secure and improve Saskatchewan's access to existing and new export markets.

Looking out for Saskatchewan's trade interests

Since the branch was set up in December, 1985, it has developed and evaluated policy options on trade issues and irritants affecting Saskatchewan industry and exports. The branch has also provided information and technical advice to the Saskatchewan Trade Negotiations Secretariat as it prepares for the Bilateral and Multilateral Trade Negotiations. Highlights of the branch's activities during the year include: developing Saskatchewan's response to a U.S. ban on the import of hogs and pork from Canada, participating in a federal/provincial effort to develop a National Trade Strategy, investigating the effects of the product liability insurance issue on Saskatchewan exports to the U.S., monitoring American Congressional consideration of natural resource subsidy legislation and omnibus trade legislation, and assisting in preparations for the September, 1986 launch of a new round of multilateral trade negotiations.

Policy Co-ordination Branch

The Policy Co-ordination Branch is responsible for policy development and analysis, program development and assessment, sector analysis, financial planning, inter-agency liaison, issue management and executive response. Its "clients" include other branches in the department, other government departments, and specific sectors and firms in Saskatchewan's manufacturing and business communities.

The branch also co-ordinates policy and program activities conducted within the department to ensure they conform to the corporate view of the department and the government.

Assisting manufacturers and processors

The branch analyzes opportunities, constraints, and market conditions for manufacturers and processors in Saskatchewan. This information is used in policy formation and is sometimes available to industry. In 1985-86, the branch carried out 17 studies on a wide range of industrial sectors.

Acting for the government

In the past year, the branch began negotiations with the federal government to take over the Industrial and Regional Development Program and develop a Canada/Saskatchewan Business Development Subsidiary Agreement under the Economic and Regional Development Agreement (ERDA).

The branch played a major role in co-ordinating the government's review of the Nielsen Task Force report on programs and services for business, and developed a capital funding proposal for provincial fairs and exhibitions.

Working well with other agencies

During 1985-86, the branch helped draft the "Regional Economic Development Intergovernmental Position Paper" which defines a framework and principles for regional economic development in Canada.

The branch co-ordinated the preparation of briefings for federal/provincial industry ministers' meetings; provided input into the government's review of the federal bankruptcy legislation, regulatory reform initiatives and transportation proposals; participated in inter-departmental committees and steering groups; and co-ordinated a zero-base budget review initiated by the Department of Finance.

Keeping the department informed

In 1985-86, the branch established a monthly departmental project inventory and a departmental briefing book, and prepared and co-ordinated briefings and analyses for the Minister.

Public and Corporate Affairs Division

The Public and Corporate Affairs Division provides public affairs services to the government and the minister; the department as a whole and the specific branches within the department; and the Saskatchewan business and manufacturing community. The division promotes Saskatchewan exports, attracts out-of-province investors, encourages industrial development, and promotes departmental program services.

Public and Corporate Affairs works with the other branches to produce and distribute all department promotional and informational material. This includes speeches, news releases, pamphlets, booklets, video presentations, ads, displays, and specialty promotional items. It also co-ordinates the department's participation in trade and investment shows, seminars, presentations, official openings, news conferences, and special events.

Targetting communication efforts

This past year, the division increasingly directed its communication efforts toward specific geographic areas, and toward certain sectoral and industry groups. As well, more advertising campaigns were built around specific events, moving away from more general "image" advertising in the North American and offshore markets. This is a continuing shift for departmental promotions, and is based on ongoing evaluations of cost-effectiveness.

Developing and improving publications

In 1985-86, the division implemented a new design program for all its publications to meet international needs and standards. Public and Corporate Affairs put out six new publications -- the Business Immigration Program kit (in English, German, and Chinese), the Joint Venture Handbook, the Industrial Incentive Program kit and the Trade Opportunities Program kit, the first Saskatchewan High Technology Directory, and the How to Export guide. The division also updated and re-issued four of its publications -- Taming the Canadian Drylands, the Implement Buyers Guide, the Manufacturers Guide, and the Construction Services Directory.

Increasing efficiency within the department

Public and Corporate Affairs initiated an informatics program in the past year that provides word processing capabilities, access to external data bases, development of internal data bases, and the automation of financial data.

To develop the internal databases, the division launched a computerized business data base to provide public and government reference services, and to serve as a base for the production of technical catalogues and directories. The 1986 Manufacturers Guide was the first publication produced using the new data base.

Continuing to spread the word about Saskatchewan

In 1985-86, Public and Corporate Affairs co-ordinated the department's participation in 19 trade and investment shows. In conjunction with the Industrial Development Services Branch, the division also continued its program of Saskatchewan Industrial Opportunity Seminars.

Public and Corporate Affairs expanded its interactive laser-disc touch-screen video system to include seven hardware units. The division revised its first software and video programs, and produced a new program on Saskatchewan companies and organizations for the World Business Showcase at Expo 86.

In addition to producing more promotional and informational material, Public and Corporate Affairs developed its abilities to monitor its communication activities. This was accomplished through before-and-after campaign surveys, newsletter readership surveys, surveys in business communities evaluating department services, and response coupons in department advertisements.

Working with the private sector

In the past year, the division has encouraged greater public sector involvement in investment and trade shows and in special events. For example, companies and organizations have been asked to join in a major high technology show and in Saskatchewan's display for World Business Showcase at Expo 86. The public sector has been active in show planning, marketing, and on-site participation. Public and Corporate Affairs has co-operated with the private sector to deliver industrial and investment messages for the benefit of the entire province.